



BOARD OF INVESTMENT TRUSTEES

MEMORANDUM

January 7, 2011

TO: Montgomery County Deferred Compensation Plan Participants

FROM: Linda A. Herman, Executive Director

SUBJECT: Deferred Compensation Plan - Improvements

The Board of Investment Trustees, which oversees the investments offered through the County's Deferred Compensation Plan, continually seeks to improve the investment options and services available to participants. As of December 31, 2010, participants included 2,421 active employees and 1,132 retirees with combined Plan assets of \$263,000,000.

Annually the Board reviews the services provided by ING, the Plan's recordkeeper, and works with ING to provide strong investment vehicles, at the lowest fees possible, with the highest level of service to participants. ING, the second largest defined contribution recordkeeper in the United States, serves more than 6 million participants, with \$277 billion in assets, who are employed by governments, corporations, unions, and non-profit organizations.

Investment Changes:

Fund Offerings: The changes to the fund offerings shown in the table below are being made to lower fees paid by participants while maintaining the same fund strategies. The changes will be effective February 17, 2011:

<i>If you were invested in...</i>	<i>Ticker Symbol</i>	<i>Fee</i>	<i>On February 17, 2011 you will be invested in...</i>	<i>Ticker Symbol</i>	<i>Fee</i>
Oppenheimer Global Y Fund	OGLYX	0.85%	ING Oppenheimer Global I Fund	IGMIX	0.66%
PIMCO High Yield Admin Fund	PHYAX	0.80%	PIMCO High Yield Institutional Fund	PHIYX	0.55%

If you have a balance in the Oppenheimer Global Y Fund or the PIMCO High Yield Admin Fund and you do not want your balance transferred to the ING Oppenheimer Global I Fund or the PIMCO High Yield Institutional Fund, you can transfer the balance to another fund at any time before **4:00 p.m. on February 14, 2011**. As of **February 17, 2011**, any balances in the funds shown in the left hand column in the table above will automatically be mapped to the fund shown.

As of **February 17, 2011**, if you have made an election to have your payroll contribution invested in one of the funds being eliminated, your contribution will be automatically be invested in the "mapped" fund shown in the right hand column of the table. You may change your election at any time by logging in to the ING

Montgomery County Employee Retirement Plans

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web site at <https://montgomerycountymd.csplans.com> and selecting Contributions or by calling the Plan Information Line at 888-240-8080.

Detailed information on the fund offerings, along with past performance and fees, is available by logging on to the ING web site at <https://montgomerycountymd.csplans.com> or by calling the onsite ING representative, Steve Wright, at 240-777-5054. Prior to making any investment, you should carefully read the prospectus and/or fund fact sheet.

Self Directed Brokerage Window: Investments that may be purchased through the Self Directed Brokerage Window now include: Exchange Traded Funds (ETFs), stocks, bonds, and certificates of deposit, in addition to mutual funds. The purchase of stock options continue to be prohibited. If you would like to open a brokerage window account, please contact Steve Wright at 240-777-5054 for an application and other important information.

Service Enhancements:

Enhanced Internet Capabilities. ING recently “redesigned” their website to provide participants better search and navigation capabilities. You can log on to the ING web site at <https://montgomerycountymd.csplans.com> and learn more about the Plan. Once you log in, go to the Financial Resource Center, which offers a variety of useful tools and financial calculators to help you learn more about investing, retirement and financial planning. Information is also available for college planning, estate planning and assistance with understanding investment concepts. Under the Tools bar, the Plan Savings and Retirement Income Calculators can assist you with retirement planning by helping you determine how much to save for retirement and how long your savings is expected to last once you retire.

Reminders:

Full-time Representative Dedicated to the County. The onsite ING representative, Steve Wright, is located in the Executive Office Building on the 7th floor in the Office of Human Resources. He is available to meet with you daily from 8:00 a.m. to 5:00 p.m. or can meet you at a location that is convenient for you. If you would like additional information on the Plan, including details on contribution limits or investment options, you can contact Steve at (240) 777-5054.

Contribution Changes. Each year when you receive your annual cost-of-living or other wage increase, you may want to increase your contributions to the Plan to continue to build for retirement. You have the ability to change the amount of your contribution at any time by logging on to the Plan’s website at <https://montgomerycountymd.csplans.com> or by calling ING at 1-888-240-8080. *The limits for 2011 are \$16,500 for pre-tax contributions, \$5,500 age 50 catch-up contributions, and \$33,000 3-year catch-up contributions.*

On-Site Education. Group seminars are offered quarterly on a variety of topics such as: investment basics, asset allocation, establishing a retirement goal and pre-retirement planning. Please visit the Board’s website at www.montgomerycountymd.gov/bit and click on Investment Education, Deferred Compensation Plan, Investment Seminars, to view the schedule of upcoming seminars.

Questions

Contact the Board of Investment Trustees by email at bit@montgomerycountymd.gov or by calling 240-777-8220.